GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:983
ANSWERED ON:22.11.2016
Fertilizer of Subsidy
Natterjee Shri J. Jayasingh Thiyagaraj

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the objective of providing fertilizer subsidy in the country has been achieved and if so, the details thereof;

(b) whether the enhanced fertilizer subsidy in the budget are sustainable and if so, the details thereof;

(c) whether lack of investment flows to the sector is leading to rising imports and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND SHIPPING, ROAD TRANSPORT & HIGHWAYS

(SHRI MANSUKH L. MANDAVIYA)

(a): Yes, Madam. The objective of providing fertilizer subsidy to ensure timely availability of fertilizers to farmer at affordable price is being achieved. The MRP of urea is statutorily fixed/ controlled by the Government.

The objectives of the NBS Policy namely, availability of P&K fertilizers throughout the country, reduction in subsidy burden, promotion of competition have already been achieved after implementation of the Policy.

(b): The allocation of budget for fertilizer subsidy has reduced to Rs. 74,000 crores (approx.) for the year 2016-17 from Rs. 76537.59 crores for the year 2015-16.

After implementation of NBS Policy, the amount of subsidy on P&K fertilizes has decreased gradually. The year-wise amount of subsidy expenditure prior to and after NBS is as under:

(in Rs. crore)

Year	Subsidy on P&K fertilizers
2010-11	41500.00
2011-12	36107.94
2012-13	30576.10
2013-14	29426.86
2014-15	20667.30
2015-16	21937.56
2016-17 (BE)	18999.99

(c): The requirement of urea is firstly met through indigenous production and the demand-supply gap is met through imports. The Government has announced the New Urea Policy-2015 (NUP- 2015) on 25th May 2015 with the objectives of maximizing indigenous urea production; promote energy efficiency in the urea units; and to rationalize the subsidy burden on the Government of India. With the implementation of NUP-2015, the existing urea manufacturing units produced additional 20 LMT of urea leading to less imports during 2015-16 as compared to 2014-15.

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